

Judge John C. Coughenour

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

P.W. ARMS, INC., a
Washington corporation,

Plaintiff,

v.

UNITED STATES OF AMERICA and the
BUREAU OF ALCOHOL, TOBACCO,
FIREARMS AND EXPLOSIVES, a Federal
Agency,

Defendants.

CASE NO. 15-cv-01990

DEFENDANTS' REPLY IN SUPPORT OF
PARTIAL MOTION TO DISMISS
PURSUANT TO FED. R. CIV. P. 12(b)(1)

Noted for Consideration on: March 18, 2016

COME NOW the defendants United States of America and Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") (collectively "Defendants" or "Government"), by and through their attorneys, Annette L. Hayes, United States Attorney for the Western District of Washington, and Jessica M. Andrade, Assistant United States Attorney, and hereby respectfully submit their Reply in Support of Partial Motion to Dismiss Pursuant to Federal Rule of Civil Procedure 12(b)(1).

I. INTRODUCTION

P.W. Arms, Inc.'s ("Plaintiff") opposition to the Government's Motion to Dismiss does not present law or facts sufficient to show that this Court has subject matter jurisdiction over its Federal Tort Claims Act ("FTCA") claim. First, Plaintiff fails to identify a private tort analogue under

1 relevant state law that would place its claim within the FTCA's waiver of sovereign immunity.
 2 Second, with regard to the discretionary function exception to jurisdiction, Plaintiff fails to propound
 3 any controverting evidence to that supplied by Defendants in support of their Rule 12(b)(1) factual
 4 challenge to jurisdiction. This failure alone is dispositive to Plaintiff's argument. In addition,
 5 Plaintiff's attempt to avoid the discretionary function exception by focusing solely on the Gun
 6 Control Act of 1968's ("GCA") armor piercing rule as a mandatory standard ignores the
 7 discretionary nature of the procedures and decisions which make up ATF's review of Form 6 import
 8 process. Third, Plaintiff ignores clear Supreme Court and Ninth Circuit precedent that requires the
 9 "detention of goods" exception to be interpreted broadly to prohibit claims such as those brought by
 10 Plaintiff here. Fourth, Plaintiff misinterprets the intentional tort exception as barring contract claims,
 11 not tortious "interference with contract" claims. While Defendants agree that Plaintiff does not
 12 bring a contract claim here, the face of Plaintiff's Complaint implicates a claim of interference with
 13 contract, sovereign immunity to which is not waived by the FTCA. Defendants respectfully submit
 14 that Plaintiff's second claim for relief must be dismissed for lack of subject matter jurisdiction.

15 **II. ARGUMENT**

16 **A. Plaintiff's FTCA Claim Should Be Dismissed Because Plaintiff Has Failed** 17 **to Point to Any Private Tort Analogue Under Any Relevant State Law.**

18 Plaintiff's Opposition points to no analogous situation in which a private party similar to
 19 ATF would be held liable to a party such as Plaintiff. The burden to show such an analogy under
 20 state law is Plaintiff's to bear, and thus this failure is fatal to Plaintiff's FTCA claim. *Kokkonen v.*
 21 *Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377, 114 S.Ct. 1673, 128 L. Ed. 2d 391 (1994) ("It is to
 22 be presumed that a cause lies outside this limited jurisdiction . . . and the burden of establishing the
 23 contrary rests upon the party asserting jurisdiction."). Plaintiff's Opposition reiterates that in order
 for this Court to have jurisdiction over Plaintiff's claim, there must be "like circumstances" or
 "analogous relationships and duties" where ATF would be liable under state tort law. Opp. at 4-5
 (Dkt. No. 15). Plaintiff's Opposition does not point to any state case law—whether West Virginia,

1 Washington, District of Columbia, or otherwise¹—providing an analogous situation where an
 2 individual or entity has been held liable for “negligent approval” of import of goods.

3 Instead, Plaintiff argues that West Virginia’s general negligence rule is a sufficient analogue
 4 to the situation at hand. Opp. at 6. The general negligence rule of West Virginia (or Washington, or
 5 District of Columbia) law does not serve to establish an “analogous relationship and duty” for
 6 purposes of FTCA liability. While it is true the “comparison of activities need not be exact,” there
 7 must be *some* analogy to show a relationship similar to that between ATF and Plaintiff here where a
 8 corresponding duty and liability would arise on the part of a private person or entity under state law.
 9 See *Westbay Steel, Inc. v. United States*, 970 F.2d 648, 650 (9th Cir. 1992) (“[T]he FTCA applies
 10 only if there is a ‘persuasive analogy with private conduct.’” (quoting *Woodbridge Plaza v. Bank of*
 11 *Irvine*, 815 F.2d 538, 543 (9th Cir. 1987)); *Bush v. Eagle-Picher Indus, Inc.*, 927 F.2d 445, 452 (9th
 12 Cir.1991) (describing the “like circumstances” test as asking a court to analogize to a hypothetical
 13 private party that is most reasonably analogous to the United States). Thus when Plaintiff
 14 presumptively argues that “ATF owed PWA a duty” and then breached that duty under West
 15 Virginia’s general negligence law (Opp. at 6), Plaintiff misses the point. Plaintiff must show an
 16 analogous situation under state law where a private actor would owe a duty and be liable in a similar
 17 context. Plaintiff’s reference to general negligence principles, without applying such principles to a
 18 “like circumstance” or “analogous relationship and duty,” does not satisfy this requirement.

19 Conversely, the plaintiffs in several of the cases cited by Plaintiff actually *did* identify private
 20 tort analogues under state law, beyond general negligence, thus demonstrating how the “like
 21 circumstances” test works. In *Lyttle v. United States*, 867 F. Supp. 2d 1256 (M.D. Ga. 2012),
 22 plaintiff sued the United States for wrongful detention and deportation. Plaintiffs suggested, and the
 23 Court found, that the federal defendants, if private actors, would have been liable for similar

¹ Plaintiff’s Opposition states that “West Virginia tort law appears controlling, although PWA’s participation in the importation application process through Forms 6 and 6A arguably require application of Washington law.” Opp. at 5, n.5. Plaintiff cannot and has not presented a private tort analogue under the law of any relevant jurisdiction, whether West Virginia, Washington, or the District of Columbia.

activities under Georgia case law finding police officers liable in tort for false arrest, or the Georgia common law tort of negligent infliction of emotional distress. *Lyttle*, 867 F. Supp. 2d at 1301. In *Brandt v. United States*, 99-197-B, 2000 WL 1879806 (D. Me. Dec. 22, 2000), plaintiffs accused a Veteran's Administration hospital of negligently credentialing a physician. The court denied a motion to dismiss premised upon the private tort analogue exception, noting that Maine indeed had an analogous private tort of negligent credentialing of physicians. *Id.* at *7-*8.² None of the cases cited by Plaintiff appear to rely on general negligence principles for a private analogue such as Plaintiff attempts to do here.³

This is true even for *Block v. Neal*, 460 U.S. 289, 103 S. Ct. 1089, 75 L. Ed. 2d 67 (1983), the case Plaintiff argues shows an approval of a "simple negligence" theory as a proper private tort analogue. In *Block*, the Supreme Court specifically stated that its review was limited to whether the plaintiff's claim could survive the FTCA's "misrepresentation" exception, and that the Court need not decide "what [plaintiff] must prove in order to prevail on her negligence claim, nor whether such a claim lies." *Id.* at 294. Though the Sixth Circuit had identified an analogue in the common law tort "Good Samaritan" doctrine, but stopped short of finding that Tennessee law would have recognized such a tort, the Supreme Court did not reach the issue since it had not been raised on appeal. *Id.* at 294, n.3. Contrary to Plaintiff's representations, *Block* does not stand for the proposition that the Supreme Court has recognized a general negligence theory, without case law

² Notably, Plaintiff indicates that West Virginia, like Maine in the *Brandt* case, has a tort of negligent credentialing of physicians. Opp. at 9. This is the only one of Plaintiff's federal case examples for which Plaintiff notes analogous state law in a jurisdiction relevant to this case. Regardless, the relationship of Plaintiff as an importer to the government as a customs regulator is distinguishable from that of a hospital to its patients, and is certainly not an analogy that has been found compelling by any court considering the private analogue exception's application to a customs situation. See, e.g., *Dorking Genetics v. United States*, 76 F.3d 1261, 1266 (2nd Cir. 1996) (dismissing negligence claim related to importation of cattle); *Geo. Byers Sons, Inc. v. East Europe Import Export, Inc.*, 463 F.Supp. 135, 137-38 (D.Md. 1979) (dismissing negligence claim relating to importation of motorcycle).

³ The other federal cases cited by Plaintiff are distinguishable. In *Coastwise Packet Co. v. United States*, 398 F.2d 77 (1st Cir. 1968) and *Duncan v. United States*, 355 F.Supp. 1167 (D.D.C. 1973), both courts were discussing the FTCA's discretionary function, *not* its private analogue, exception. Accordingly, those cases do *not* stand for the proposition that a private tort analogue exists in this case.

1 presenting an analogy, as an appropriate private tort analogue. Indeed, acceptance of Plaintiff's
2 position would nullify the private tort analogue requirement of the FTCA.

3 Finally, while arguing that District of Columbia tort law does not apply (Opp. at 5, n.5),
4 Plaintiff asserts that its FTCA claim is analogous to the negligence theory only preliminarily upheld
5 under District of Columbia law in *Appleton I*, 69 F. Supp. 2d 83 (D.D.C. 1999). Opp. at 6-7.
6 Defendants urge the Court to consider the reasoning of the subsequent and final ruling dismissing
7 the negligence claim in *Appleton IV* as inherently more sound than that of Judge Urbina in *Appleton*
8 *I*. See, *Appleton IV*, 180 F. Supp. 2d 177, 184-187 (D.D.C. 2002). Specifically, *Appleton I*'s
9 analogy to *Beard v. Goodyear Tire & Rubber Co.*, 587 A.2d 195 (D.C. 1991)—the only District of
10 Columbia case *Appleton I* cites to as an analogy—is misguided. *Appleton I*, 69 F. Supp. 2d at 96-97.
11 In that case, a third party (the plaintiff's ex-girlfriend) submitted a fraudulent credit card application
12 to the defendant, which plaintiff alleged the defendant negligently used as a basis to grant a his ex-
13 girlfriend a credit card in his name. *Id.* In this case, it is Plaintiff itself that submitted a Form 6
14 import application to ATF. Setting aside for a moment the issue that applying for a credit card is not
15 analogous to seeking permission to import goods, *Beard* would present a parallel relationship of duty
16 and breach only if the defrauding ex-girlfriend had been successful in suing the defendant for
17 negligently granting her a credit card based on her own application. The disingenuous nature of
18 such an argument is something that was picked up on by the judge in *Appleton IV* when he wrote:

17 Plaintiff finds himself in the anomalous position of arguing that [ATF] was negligent
18 because it relied on the identity of the manufacturer of the ammunition provided by
19 him, which was at best imprecise, but according to his attorney, accurate, whereas the
20 facts and testimony now reflect that the information provided by Plaintiff was not
21 accurate.

22 *Appleton IV*, 180 F. Supp. 2d at 186.

23 Further, in addition to the fact, as Plaintiff correctly notes, that neither *Appleton I* nor *IV* is
binding upon this Court, it is also worth noting that *Appleton I* was decided without the benefit of
certain Ninth Circuit case law applicable here. As *Appleton IV* observed, the Ninth Circuit in *Delta*

1 *Savings Bank v. United States*, 265 F.3d 1017 (9th Cir. 2001) ruled that “[t]o bring suit under the
 2 FTCA based on negligence per se, a duty must be identified, and this duty cannot spring from a
 3 federal law. The duty must arise from a state statutory or decisional law, and must impose on the
 4 defendants a duty to refrain from committing the sort of wrong alleged” [by the plaintiff]. *Appleton*
 5 *IV* at 185 (citing *Delta Savings*, 265 F.3d at 1026). Indeed, Plaintiff’s Opposition says nothing to
 6 controvert Defendants’ argument that Plaintiff’s tort claim cannot withstand the private tort analogue
 7 requirement because the duty allegedly breached only arises under federal law. Motion at 10-11.
 8 The FTCA’s limited waiver of sovereign immunity “cannot apply where the claimed negligence
 9 arises from the failure of the United States to carry out a statutory duty in the conduct of its own
 10 affairs.” See *Hornbeck Offshore Transp. v. United States*, 569 F.3d 506, 509 (D.C. Cir. 2009).
 11 Internal policies, procedures, or statutes governing federal action, while potentially relevant to
 12 discretionary function analysis, cannot serve to create a substantive cause of action under the FTCA
 13 unless the conduct at issue is “independently tortious under applicable state law.” *Dalrymple v.*
United States, 460 F.3d 1318, 1327 (11th Cir. 2006). Plaintiff having cited no applicable state law
 here, the negligence claim should be dismissed.

14 **B. Plaintiff’s Flawed Discretionary Function Analysis Fails to Undermine**
 15 **the Discretionary Nature of the Defendants’ Actions in this Case.**

16 Plaintiff’s Opposition is most notable for the fact that, though Defendants submitted evidence
 17 showing that ATF’s Form 6 review, approval, and revocation process is discretionary, Plaintiff
 18 submitted no countervailing affidavits rebutting such evidence. Instead Plaintiff relies on the
 19 allegations in the Complaint, which need not be believed in this context. *White v. Lee*, 227 F.3d
 20 1214, 1242 (9th Cir. 2000). This is critical because the Plaintiff appears to rely on the contention
 21 that ATF knew the ammunition was armor piercing under the GCA when the import permit was
 22 issued, and thus could act with no discretion in issuing the permit. Opp. at 12:21-22. Though this
 23 point is irrelevant to the discretionary function analysis, as will be described below, the allegation
 was expressly refuted by both the Majors declarations and its attachments. Majors Decl. ¶¶ 39-45,

1 Ex. C at 41, 43. Plaintiff has thus, as a preliminary matter, failed to satisfy its burden of establishing
2 that the Court has subject matter jurisdiction over the tort claim alleged by the Complaint. *St. Clair*
3 *v. City of Chico*, 880 F.2d 199, 201 (9th Cir. 1989) (once the moving party has submitted affidavits
4 and other evidence, “[i]t then becomes necessary for the party opposing the motion to present
5 affidavits or any other evidence necessary to satisfy its burden of establishing that the court, in fact,
6 possesses subject matter jurisdiction”). This failure alone is dispositive to Plaintiff’s claim under the
7 FTCA.

8 Plaintiff’s Opposition is also notable in that it focuses solely on the first prong of the *Gaubert*
9 two-step analysis—whether the challenged actions involve “judgment or choice”—and not the
10 second prong of whether the actions are “susceptible to a policy analysis.” Opp. at 10-13; *see also*
11 *United States v. Gaubert*, 499 U.S. 315, 322, 111 S.Ct. 1267, 1273, 113 L.Ed.2d 335 (1991).
12 Plaintiff’s argument is incorrect for several reasons. First, contrary to FTCA precedent, the analysis
13 focuses on one act—the application of the GCA’s armor piercing provision—as non-discretionary,
14 and ignores the larger import controls process at issue. Second, the analysis ignores, and as
15 mentioned above fails to rebut, evidence submitted by Defendants that the ATF processes at issue
16 are discretionary both in terms of the overall import control process, and the initial review of the
17 Form 6. Finally, Plaintiff inappropriately asserts that the GCA’s armor-piercing provision is the type
18 of regulation that “prescribes a course of action” such that the agency action is presumed non-

19 First, in analyzing the discretionary function exception, Plaintiff ignores the breadth of
20 ATF’s Form 6 investigative process and instead seeks to focus solely on whether ATF had discretion
21 to approve a permit to import armor-piercing ammunition under the GCA, 18 U.S.C. § 921(a)(17)(B).
22 Opp. at 10-13. While it is of course true that ATF does not have the ability to approve a permit to
23 import armor-piercing ammunition (other than for re-sale to government entities or for industrial

purposes),⁴ that is not the act or omission at issue here. The review and granting of the permit is but one component part of ATF's overarching system of inspection. As explained in Defendants' Motion, and conceded in Plaintiff's Opposition (Opp. at 14:22-24), FTCA precedent encourages the Court to look at the governmental function as a whole to evaluate whether the action that caused the harm was discretionary. *See United States v. S.A. Empresa de Viacao Aerea Rio Grandense (Varig Airlines)*, 467 U.S. 797, 104 S.Ct. 2755, 81 L.Ed2d 660 (1984) (viewing agency process as a whole); *General Dynamics Corp. v. United States*, 139 F.3d 1280, 1285 (9th Cir. 1998) (A plaintiff cannot circumvent an FTCA exception through mislabeling and mis-description of the truly discretionary source of the injury."). Here, the declaration and evidence submitted by Defendants show that the Form 6 process involves thoughtful consideration at multiple levels, thus indicating the discretionary nature of the process in which the GCA's definition of armor-piercing ammunition is applied.

ATF's entire Form 6 import control process and its development must be considered a discretionary function by this Court in light of the Supreme Court's precedent in *Varig Airlines*. In *Varig Airlines*, while the plaintiffs challenged the individual failures of the Federal Aviation Administration ("FAA") to inspect certain components of aircraft, the Supreme Court held that action barred by the discretionary function exception. *Varig Airlines*, 467 U.S. at 814-20. The Supreme Court reasoned that the FAA had been granted discretion to determine how it would police aircraft safety, and in turn the FAA instituted a "spot check" safety program, the very development of which was a discretionary act. *Id.* at 819-20. Even though the Plaintiff's argued a singular act was negligent (the failure to inspect), because it was a product of the FAA's overall system, the action was barred. ATF was delegated similar authority to implement procedures for policing the import of ammunition and guns. Executive Order No. 11432 (October 22, 1968); 1968-2 C.B. 906; Treasury Department Order No. 120-01 (formerly No. 221), 37 Fed.Reg. 11696 (1972). ATF has developed this process of initial permit review, and subsequent inspection upon intercept by

⁴ See 18 U.S.C. §§ 921(a)(17)(C), 922(a)(7), 922(a)(8); 27 C.F.R. § 478.37.

1 Customs and Border Patrol in the United States, based on competing policy considerations of the
 2 limited resources of the agency, the volume of Form 6 applications, the firearms and ammunitions
 3 industry's need for timely adjudication of claims, and the requirements for Form 6 applicants to
 4 provide accurate information. Majors Dec. ¶¶ 14-21. The gravamen of Plaintiff's Complaint,
 5 similar to the allegations propounded by the plaintiff in *Varig Airlines*, amounts to an indictment of
 6 this process, which is a discretionary function of ATF.⁵

7 Further, the initial consideration of the Form 6 petition itself is discretionary. Specifically,
 8 ATF has a general policy of allowing permit examiners to rely on the truthfulness of representations
 9 made in Form 6 applications. Majors Dec. ¶¶ 20-21. ATF Examiners decide whether, in their
 10 discretion or judgment, they should elicit more information from an applicant, investigate the matter
 11 further on their own, or forego investigation based upon the applicant's representations. *Id.* ¶¶ 18-
 12 19. Thus here, when the examiner reviewed Plaintiff's permits, which: (1) failed to circle the term
 13 "AP" to indicate that the ammunition was armor piercing; (2) failed to describe the ammunition as
 14 having a metal core; and (3) did not describe the ammunition as "7N6," ATF exercised discretion to
 15 forego further investigation and rely upon these representations. *Id.* 23-25; *see also* Majors Dec. Ex.
 16 C (relevant permits). Tellingly, the permits were all issued bearing a stamp stating that: "this permit
 17 does not authorize the importation of the ammunition described thereon if: (1) it has a projectile or
 18 projectile core which may be used in a handgun and which is constructed entirely . . . from one or a
 19 combination of [metal] . . ." *See* Majors Decl. Ex. C at 41, 43. Accordingly, far from Plaintiff's
 20 contention that "ATF had no decision to make when it received [Plaintiff's] Form 6 applications . . .
 21 ATF already knew the ammunition was 'armor piercing' under the GCA" (Opp. at 12:20-22), ATF

21 ⁵ Plaintiff's discussion of *Varig Airlines* (Opp. at 13) reveals a dangerous mindset regarding its
 22 obligations under the GCA. Plaintiff argues that *Varig Airlines* is inapposite because "[t]he duty to comply
 23 with the [] FAA regulations fell upon the commercial airline, not the agency," implying that in the current
 situation Plaintiff has no duty to comply with the GCA, but rather only ATF has a duty to prevent Plaintiff
 from violating the GCA.

1 did *not* know the ammunition had armor-piercing properties and exercised discretion in granting the
 2 permit without further investigation, based upon Plaintiff's representations.

3 Finally, Plaintiff argues that the provisions of the GCA deprive ATF of any discretion in this
 4 matter, thus ending the discretionary function analysis under the first prong of the *Gaubert* analysis.
 5 Opp. at 11. The GCA's armor-piercing prohibitions are, however, *not* the type of statute or
 6 regulations that "prescribe a course of action for an employee to follow." *Gaubert*, 499 U.S. at 322
 7 (citing *Berkovitz by Berkovitz v. United States*, 486 U.S. 531, 536, 108 S.Ct. 1954, 100 L. Ed. 2d 531
 8 (1988)). For example in the *Berkovitz* case, where the Supreme Court considered applicable vaccine
 9 approval regulations so comprehensive that no discretion could occur, regulations prescribed
 10 information to be supplied, test to be performed, and procedures for granting and denying vaccine
 11 licenses such that "[a]ll such licenses shall be issued, suspended, and revoked as prescribed by
 12 regulations . . ." *Id.* at 541-43. In contrast, here, while the GCA provides a definition of armor
 13 piercing ammunition, rules and regulations regarding ATF Form 6 process in which that definition is
 14 applied are presumptively discretionary. 27 C.F.R. § 447.44 ("Import permits . . . *may* be denied,
 15 revoked, suspended or revised without prior notice whenever the appropriate ATF officer finds the
 16 proposed importation to be *inconsistent with the purpose* or in violation of Section 38, Arms Export
 17 Control Act of 1976 or the regulations in this part." (emphasis added)). Where the relevant statute
 18 or regulation does *not* prescribe a course of action, but rather contains language that is permissive of
 19 agency choice, then it is presumed the agency actions are discretionary. *Gaubert*, 499 U.S. at 324-
 20 25. This is the case here; accordingly Plaintiff's negligence claim must be dismissed under the
 21 discretionary function exception.⁶

22 ⁶ Plaintiff's Opposition makes no argument regarding the susceptibility of ATF's Form 6 process to
 23 policy considerations, arguing instead that the analysis ends at the first prong. Defendants refer to their
 Motion at 18-20 for a discussion of the policy considerations at issue.

1 **C. Given ATF's Role as a Customs Enforcement Agency that detained**
2 **Goods in this Matter, the Detention of Goods Exception Applies.**

3 Plaintiff argues that the FTCA's "detention of goods" exception, 28 U.S.C. § 2680(c), does
4 not apply here because the exception is specifically applied in cases where the government has
5 damaged goods while they were in detention. Opp. at 14-15. Plaintiff does not point to any case
6 law, however, suggesting that the exception should be so limited. To the contrary, case law
7 overwhelmingly indicates that the exception should be interpreted broadly. *Kosak v. United States*,
8 465 U.S. 848, 854, 104 S.Ct. 1519, 79 L.Ed.2d 860 (1984); *Foster v. United States*, 522 F.3d 1071,
9 1074 (9th Cir. 2008). Plaintiff argues that *Foster* indicates that "the detained goods exception is
10 intended to preserve governmental immunity from bailor liability." Opp. at 14:1-2. A review of that
11 case, however, reveals no such limitation. Rather, the Ninth Circuit in *Foster* reiterates that the
12 exception should be interpreted broadly (*Foster*, 522 F.3d at 1074), and discusses Congress'
13 objectives in creating exceptions to the FTCA as: "ensuring that 'certain governmental activities' not
14 be disrupted by the threat of damage suits; avoiding exposure of the United States to liability for
15 excessive or fraudulent claims; and not extending the coverage of the FTCA to suits for which
16 adequate remedies were already available." *Foster*, 522 F.3d at 1076 (citing *Kosak*, 465 U.S. at
17 858). There is no suggestion that the exception should be restricted to cases where the goods were
18 damaged during detention, or to bailor liability of the government.

19 Similarly, Plaintiff's attempts to distinguish *Gasho v. United States*, 39 F.3d 1420, 1433 (9th
20 Cir. 1994) and *United States v. Lockheed L-188 Aircraft*, 656 F.2d 390, 397 (9th Cir. 1979) fail
21 because they rely on the argument that (1) the cases related to damage to goods during detention and
22 (2) the tort theories involved were different. Opp. at 14:4-16. Again, the exception is to be
23 interpreted broadly, and as such it is irrelevant where or when the damage to plaintiff arises, so long
24 as it "aris[es] in respect of the . . . detention of goods." 28 U.S.C. § 2680(c). The language of the
25 exception says nothing regarding what *type* of tort theory may be barred, only that the FTCA's

1 waiver of sovereign immunity “shall not apply” to *any* tort theory arising out of the detention of
 2 goods. *Id.* The exception thus applies here, and Plaintiff’s negligence claim must be dismissed.

3 **D. To the Extent Plaintiff’s FTCA Claim Includes Theories of Interference**
 4 **with Contract Rights, it Should be Dismissed.**

5 Defendants’ Motion also requested that, to the extent Plaintiff’s Complaint advances a theory
 6 of interference with contract rights, such a claim should be barred under 28 U.S.C. § 2680(h)
 7 (barring any claim arising out of . . . interference with contract rights.”). In response, Plaintiff
 8 affirms that it “allege[s] no breach of a contractual promise by the government or any other entity.”
 9 Opp. at 14:25-26. The potential claim at issue, however, is interference with contract rights, not
 10 breach of contract. To that end, Plaintiff’s Complaint contains several references to interference
 11 with its contractual rights and expectations, particularly with regard to its importation agreements
 12 with Sabine Schneider. Compl. ¶¶ 49-50, 66-69. These references in Plaintiff’s Complaint do, in
 13 fact, mirror the court’s description of the plaintiff’s complaint in *Endicott v. Bureau of Alcohol,*
 14 *Tobacco, Firearms & Explosives*, 338 F. Supp. 2d 1183, 1187 (W.D. Wash. 2004), cited in the
 15 Defendants’ Motion. And, while Plaintiff’s citation to the Third Circuit’s opinion in *Aleutco*
 16 certainly affirms that Plaintiff has a right to choose whether to bring a claim in tort or in contract,
 17 that principle says nothing about whether a plaintiff should be able to bring tort claims that could be
 18 characterized as interference with contract against the federal government. *Aleutco Corp. v. United*
 19 *States*, 244 F.2d 674, 678-79 (3d Cir. 1957). Plaintiff’s tort claim, which from the face of the
 20 complaint self-evidently includes elements of interference with contract, should thus be dismissed
 21 under Section 2680(h).

22 **III. CONCLUSION**

23 For the reasons stated above and in Defendants’ Motion, Defendants respectfully request that
 this Court dismiss Plaintiff’s negligence claim under the FTCA for lack of subject matter
 jurisdiction.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that she is an employee in the Office of the United States Attorney for the Western District of Washington and is a person of such age and discretion as to be competent to serve papers.

It is further certified that on March 18, 2016 I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following CM/ECF participant(s):

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